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FISCAL IMPACT STATEMENT

LS 7630

BILL NUMBER: SB 490

NOTE PREPARED: Jan 16, 2003

BILL AMENDED:

SUBJECT: Department of Indiana Heritage.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Department of Indiana Heritage under the direction of a commissioner appointed by the Governor. The bill provides that the Department consists of:

- (1) the Office of the Commissioner;
- (2) the Historic Preservation and Archeology Division (Currently the Division of Historic Preservation and Archeology under the Department of Natural Resources);
- (3) the History Division (combining the current Indiana Historical Bureau from the Indiana Library and Historical Department, and the current section of Historic Sites of the Division of State Museums and Historic Sites from the Department of Natural Resources);
- (4) the Indiana State Library Division (currently the State Library within the Indiana Library and Historical Department);
- (5) the Public Records Division (currently the Commission on Public Records); and
- (6) the Indiana State Museum Division (currently the section of Museums of the Division of State Museums and Historic Sites under the Department of Natural Resources).

The bill eliminates the Indiana Library and Historical Board. This Bill also creates the Indiana Heritage Commission to act as an advisory board for the Department of Indiana Heritage. It also makes conforming amendments.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The bill establishes the Department of Indiana Heritage. Five existing state governmental entities would be transferred and reorganized into four new divisions of the Department. The creation of the Department of Indiana Heritage and the necessary general restructuring will require

additional unknown expenditures. The total cost of public notification, adjustments to publications, signage, office stationery, and various other expenditures is not known. To the extent that the new Department uses existing staff and facilities, the fiscal impact could be reduced. For example, if no additional office space is needed, office space for the proposed department would not result in an increase in the fiscal impact. The impact would depend on the arrangement of the department. The bill does, however, create the Office of the Commissioner. Compensation for the Commissioner would be an estimated \$115,000, including benefits. The Commissioner would also be able to hire staff. Additional new staff would result in additional expense. If the Commissioner used existing staff, there would be no additional impact. It may be possible that expenses could be paid from existing resources. The overall impact is indeterminable at this time.

The table below summarizes the authorized full-time positions, vacancies, and salaries for the agencies that would be placed under the Department of Indiana Heritage by this proposal.

Proposed Division	Existing Full-time Employees	Salaries for Proposed Divisions of the Department of Indiana Heritage
Office of the Commissioner	1 Proposed	\$115,000* NEW
Historic Preservation and Archeology Division (currently the DNR Division of Historic Preservation and Archeology)	17	\$616,297
History Division (combining the current Indiana Historical Bureau from the Indiana Library and Historical Department, and the current DNR Historic Sites of the Division of State Museums and Historic Sites)	Historical Bureau -- 9	\$271,286
	Historic Sites -- 32	\$1,286,398
Indiana State Library Division (currently the State Library within the Indiana Library and Historical Department)	62	\$2,010,365
Public Records Division (currently the Commission on Public Records)	28	\$803,896
Indiana State Museum Division (currently the section of Museums of the Division of State Museums and Historic Sites under the Department of Natural Resources)	41	\$1,286,398
Total	190	\$6,389,640

An overview of the proposal follows.

Office of the Commissioner. This bill creates the Office of the Commissioner of the Department of Indiana Heritage. The commissioner is entitled to compensation in an amount to be fixed by the Indiana Department of Administration with the approval of the Governor. The commissioner may appoint and remove the director of each division of the department; delegate authority to appropriate department staff; create other offices and divisions; and appoint advisory councils to consult and advise on the work of the department and its

divisions. Employees of each division, except the director, shall be selected by the director of the division with the approval of the commissioner and may be removed by the director for cause at any time with the approval of the commissioner. The Budget Agency shall fix the compensation of the director of each division. The director shall fix the compensation of the employees of the division with the approval of the commissioner and the Budget Agency.

Indiana Heritage Commission. This bill established the Indiana Heritage Commission. The commission consists of 18 members. Eight members are state employees. Members who are not state employees are entitled to the minimum salary per diem. All members are entitled to reimbursement for travel, lodging, meals, and other expenses as provided in the state travel policies and procedures established by the Indiana Department of Administration and approved by the Budget Agency. This board replaces the existing Library and Historic Board, which consists of five members. The new commission consists of five additional members who would be entitled to per diem and expenses. These additional staff would require additional funding. The impact will depend in part on travel expenses for the new members. These costs could be offset by the decrease in membership of other boards. As described below, the proposed Oversight Committee on Public Records will be reduced by three members and the Board of Trustees for the Indiana State Museum.

The commission may appoint administrative law judges. The commissioner may create a hearings division to assist in performing the functions of this section. The commission must also adopt rules to carry out the commission's duties. These provisions will increase expenses by an indeterminable amount. No fiscal impact would occur immediately if the existing Natural Resources Commission could assume the workload generated for administrative law judges.

Historic Preservation and Archeology Division. The bill establishes the Historic Preservation and Archeology Division within the department. The Division is a continuation of the Division of Historic Preservation and Archeology of the Department of Natural Resources (DNR). On July 1, 2003, all powers, duties, assets, and liabilities of the Division of Historic Preservation and Archeology of the Department of Natural Resources are transferred to the Historic Preservation and Archeology Division of the Department of Indiana Heritage. To the extent that the new division replaces the existing division, there would be no fiscal impact.

Indiana Department of Administration (IDOA) must notify the division of a proposed transfer of real property owned by the state at the earliest planning stage and not later than 90 days before the date of the proposed transfer. The division must inspect the property and notify IDOA of the location of each historic site or historic structure on the property. Real property owned by the state may not be sold or transferred until the division has stated in writing that the property does not, to the best of the division's knowledge, contain a historic site or historic structure. If IDOA receives notice of a historic site or historic structure on the property, IDOA must reserve control of the appropriate historic property by means of a covenant or an easement contained in the transferring instrument. This provision would add additional legal expenses for IDOA when a historic property is sold. The impact would depend on the number of historic properties that are sold and the nature of the covenants that are required. With respect to monitoring the property, there is a potential for private resources to assist in the monitoring which would decrease costs.

IDOA must also establish a forms management program for state government and approve the design, typography, format, logo, data sequence, form analysis, form number, and agency file specifications of each form; establish a central state form numbering system and a central cross index filing system of all state forms, and standardize, consolidate, and eliminate, wherever possible, forms used by state government; approve, provide, and purchase photo-ready copy for all forms; and establish and operate a distribution center

for the receipt, storage, and distribution of all material printed for an agency. This responsibility is currently handled by the Commission on Public Records. Adding this responsibility to the IDOA will increase administrative expenses by an indeterminable amount.

Protection of Historic Properties. If the Division of Historic Preservation finds that an emergency exists in order to protect historic property that has been damaged by fire or a natural disaster in the interim between meetings of the review board, the division may approve routine maintenance, rebuilding, or reconstruction of the historic property without requiring a certificate of approval from the review board. This provision may result in the division being able to save state historic property that is threatened.

History and Historic Preservation Review Board. This bill establishes the Historic Preservation Review Board which is a continuation of the Historic Preservation Review Board. Because the new board is a continuation, it is assumed that expenses of the board will remain the same. Hence, this provision will not generate a fiscal impact.

History Division. The bill establishes the History Division which is a continuation of the Indiana Historical Bureau and the historic sites of the Division of State Museums and Historic Sites of the DNR. On July 1, 2003, all powers, duties, assets, and liabilities of the Indiana Historical Bureau and the section of Historic Sites of the Division of State Museums and Historic Sites of the DNR are transferred to the History Division of the Department of Indiana Heritage. On July 1, 2003, all powers, duties, assets, and liabilities of the DNR that are attributable to the section of Historic Sites of the Division of State Museums and Historic Sites are transferred to the Department of Indiana Heritage. On July 1, 2003, all powers, duties, assets, and liabilities of the Indiana Library and Historical Board and Indiana Library and Historical Department that are attributable to the Indiana Historical Bureau are transferred to the Department of Indiana Heritage.

Indiana State Library Division. The bill establishes the Indiana State Library Division within the Department of Indiana Heritage. This provision moves the existing State Library to the Department of Indiana Heritage. It also abolishes the Indiana Library and Historical Board is abolished. All powers, duties, assets, and liabilities of the Indiana Library and Historical Board; and the Indiana Library and Historical Department are transferred to the Indiana State Library Division of the Department of Indiana Heritage.

Indiana State Library Advisory Council. The bill establishes the Indiana State Library Advisory Council which consists of no fewer than 15 members. A member of the advisory council who is not a state employee is entitled to per diem and reimbursement for travel, lodging, meals, and other expenses. This council replaces the current board, so expenses should remain the same.

Public Records Division. The Public Records Division is a continuation of the Commission on Public Records. On July 1, 2003 all powers, duties, assets, and liabilities of the Commission on Public Records relating to a Forms Management Program and the establishment of a distribution center for state government are transferred to the Department of Administration. All other powers, duties, assets, and liabilities of the Commission on Public Records are transferred to the Public Records Division.

Oversight Committee on Public Records. The bill changes the composition of the Oversight Committee on Public Records. Three membership positions are eliminated which would reduce costs.

Board of Trustees for the Indiana State Museum. The board of trustees for the **Indiana State Museum** Division is established. The trustees consist of 11 members as opposed to the existing 13 member board for the Division of State Museums and Historic Sites.

Legislative Services Agency. The Legislative Services Agency shall prepare legislation for introduction in the 2004 regular session of the General Assembly to organize and correct statutes affected by the transfer of responsibilities to the Department of Indiana Heritage. This can be done within existing resources.

State Board of Accounts. The State Board of Accounts must prescribe a form for recording the information pertaining to the removal of a grave memorial that must be filed with the county recorder. The form shall be available to the public at each local health department office. The SBA should be able to absorb any additional administrative expenses associated with this provision given its current budget.

Explanation of State Revenues: This bill creates the Department of Indiana Heritage Fund as a dedicated funding source for the Department. The fund would contain money donated to the Department, proceeds from the sale of gifts donated to the Department, and the earnings on investments from the fund. Money remaining in the fund does not revert to the State General Fund at the end of the state fiscal year. However, if the fund is abolished, its contents revert to the State General Fund. Similar funds would also be established for divisions with the department: the Historic Preservation and Archeology Division Fund; the Historic Sites Fund; the Historical Publications and Educational Fund; the Indiana State Library Fund, and the Governor Portraits Fund. The income of the funds will depend on contributions.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Natural Resources; Commission on Public Records; Historical Bureau; State Library, Legislative Services Agency, State Board of Accounts, and all state agencies that own historic property.

Local Agencies Affected: All local political subdivisions.

Information Sources: Department of Natural Resources

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